

NORTHBROOK, ILL. - U.S. Rep. Mark Kirk (R-Ill.) announced today his intention to offer amendments to the bipartisan bailout bill that will grant Treasury Secretary Paulson the authority to terminate senior officers of any entity seeking a bailout from the taxpayer. Kirk also will offer a second amendment to ensure that no taxpayer dollars can be used for executive compensation or a golden parachute for any senior officer of a company that received credit or direct assistance under the bipartisan bailout bill.

“Given the dire economic warnings, Democrats and Republicans must pull together to save jobs and strengthen the economy for working Americans,” Congressman Kirk said. “But this must be a bailout with consequences, including the termination of senior officers of companies receiving aid and a further prohibition on any taxpayer dollars used for senior officer salaries or golden parachutes.”

During July’s debate on the Fannie Mae/Freddie Mac bailout, Kirk highlighted the pay of Daniel Mudd, President and Chief Financial Officer at Fannie Mae (\$11.5 million), and Richard Syron, Chairman and Chief Executive Officer at Freddie Mac (\$18.3 million). Kirk asked on his July 23 blog, “Why haven’t these people been fired?” Press reports show that a number of chairmen/CEOs were highly compensated before their companies began failing including Bear Stearns CEO, Alan Schwartz (\$35 million), Lehman Brothers CEO Richard Fuld (\$40 million) and AIG’s Martin Sullivan (\$47 million).

“Federal regulators rightly blocked planned golden parachutes for the failed leaders of Fannie Mae and Freddie Mac,” Kirk said. “We should now set that precedent into law – if you get a taxpayer bailout, you lose your job and your parachute.”

Congress is scheduled to consider bipartisan bailout legislation next week. “While unpleasant, bipartisan legislation can prevent further economic harm, keep Americans working and punish those who caused this mess.”

Kirk Amendment No 1.

SEC. ____ . TERMINATION AUTHORITY

(a) Authority. Notwithstanding any other provision of law, the Secretary of the Treasury is authorized to terminate the employment of any Senior Officer of any company, entity or partnership who receives credit or direct assistance under this Act.

(b) Definition. “Senior Officer” is defined as any Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Managing Partner or any individual deemed by the Secretary as having primary management or financial authority over the company, entity or partnership prior to the receipt of credit or assistance under this Act.

Kirk Amendment No. 2

SEC. ____ PROHIBITION ON TAXPAYER FUNDS FOR SENIOR OFFICER INCOME

(a) None of the funds made available under this Act may be used to provide income, as defined under the Internal Revenue Code, for any Senior Officer of any company, entity or partnership that receives credit or other direct assistance under this Act.

(b) Definition. “Senior Officer” is defined as any Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Managing Partner or any individual deemed by the Secretary as having primary management or financial authority over the company, entity or partnership prior to the receipt of credit or direct assistance under this Act.